GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:959
ANSWERED ON:23.10.2008
IMPACT OF SPIRALLING PRICE OF STEEL ON RAILWAY PROJECTS
Badiga Shri Ramakrishna

Will the Minister of RAILWAYS be pleased to state:

(a) the extent of impact of the spiralling price of steel on the on-going railway projects;

(b) whether some of the contractors are threatening to pull out of railway projects in view of spiralling steel prices;

(c) if so, the details thereof;

(d) the reasons for delay in the execution of work particularly in the South Central railway;

(e) the outcome of the recently held 'Infrastructure Builders Meet'; and

(f) the reaction of the Railways in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (DR. R. VELU)

(a) to (f): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF UNSTARRED QUESTION NO. 959 BY SHRI BADIGA RAMAKRISHNA TO BE ANSWERED IN LOK SABHA ON 23.10.2008 REGARDING IMPACT OF SPIRALLING PRICE OF STEEL ON RAILWAY PROJECTS

(a): The abnormal increase in prices of steel has been one of the major reasons adversely affecting progress of ongoing projects.

(b) & (c): The contractors are demanding suitable compensation for such abnormal hike in price of steel in the market.

(d): Targeted projects are not delayed except Jaggayapet-Mallacheruvu where land is yet to be handed over to the Railways. There has been some delay in supply of sleepers for targeted works.

(e) & (f): The Infrastructure Builders' Meet was organized to have interaction with the Construction Industry, to make them aware of Railway Plans and to get their suggestions on Contract Management issue. The suggestions made have been considered and appropriate action has been initiated.